

PUBLIC WORKS COMMITTEE

DATE: November 9, 2006

CALLED TO ORDER: 4:59 p.m.

ADJOURNED: 5:28 p.m.

ATTENDANCE

ATTENDING MEMBERS

Lonnell Conley, Chairman
Patrice Abdullah
Ginny Cain
Scott Keller
Dane Mahern
Angela Mansfield
Michael Speedy

ABSENT MEMBERS

Jim Bradford
Mary Moriarty Adams

AGENDA

PROPOSAL NO. 345, 2006 - amends the Revised Code, traffic operating restrictions, to regulate the use of any engine, compression, dynamic braking device, or mechanical exhaust device (often times referred to as a "Jake brake" or "jake braking")
"Tabled" Vote 7-0

PROPOSAL NO. 533, 2006 - approves the issuance of one or more series of Indiana Waterworks District Net Revenue Bonds and, if necessary, one or more bond interest rate agreements related to the bonds in an aggregate principal amount of refunding bonds not to exceed \$100,000,000
"Do Pass" Vote 7-0

PROPOSAL NO. 569, 2006 - authorizes intersection controls for the Eagle Springs subdivision (District 6)
"Do Pass" Vote 7-0

PROPOSAL NO. 570, 2006 - authorizes a change in intersection controls at the intersection of Draper Street and Kelly Street (District 20)
"Do Pass" Vote 7-0

PROPOSAL NO. 571, 2006 - authorizes changes in weight restrictions on Calvary Street, between English Avenue and Shelby Street (Districts 16/19)
"Do Pass" Vote 7-0

PROPOSAL NO. 572, 2006 - authorizes changes in weight restrictions on Fletcher Avenue between State Avenue and St. Paul Street (District 16)

“Do Pass”

Vote 7-0

PROPOSAL NO. 573, 2006 - authorizes intersection controls for the Brennan Woods subdivision (District 1)

“Do Pass”

Vote 7-0

PROPOSAL NO. 574, 2006 - authorizes intersection controls for the Sanctuary subdivision (District 12)

“Do Pass”

Vote 7-0

PROPOSAL NO. 575, 2006 - authorizes intersection controls for the Lynhurst Gardens subdivision (District 14)

“Do Pass”

Vote 7-0

PROPOSAL NO. 576, 2006 - authorizes one-way restrictions on Lynn Street between Michigan Street and St. Clair (Districts 14/15)

“Do Pass”

Vote 7-0

PUBLIC WORKS COMMITTEE

The Public Works Committee of the City-County Council met on Thursday, November 9, 2006. Chairman Lonnell Conley called the meeting to order at 4:59 p.m. with the following members present: Patrice Abdullallah, Ginny Cain, Scott Keller, Dane Mahern, Angela Mansfield, and Mike Speedy. Absent were Jim Bradford and Mary Moriarty Adams.

PROPOSAL NO. 345, 2006 - amends the Revised Code, traffic operating restrictions, to regulate the use of any engine, compression, dynamic braking device, or mechanical exhaust device (often times referred to as a "Jake brake" or "jake braking")

Chairman Conley asked for consent to "Table" Proposal No. 345, 2006 until Councillor Salisbury is ready to present. Consent was given.

PROPOSAL NO. 533, 2006 - approves the issuance of one or more series of Indiana Waterworks District Net Revenue Bonds and, if necessary, one or more bond interest rate agreements related to the bonds in an aggregate principal amount of refunding bonds not to exceed \$100,000,000

Barbara Lawrence, Executive director, Bond Bank, distributed a handout (Exhibit A), and stated that the Bond Bank entered into a number of swap agreements last year, such as interest rate swaps and hedges. She said that this particular transaction is a straight, fixed-rate refunding on which the Bond Bank is hoping to receive approval. [Clerk's note: A copy of Exhibit A is on file in the Council Office with the original set of minutes.]

Ms. Lawrence's presentation included the following key points:

- The Proposed Transaction overview
 - The Bond Bank is working with the Department of Waterworks (DOW) reviewing refunding opportunities for up to \$90 million of outstanding debt.
 - The proposal asks for \$100 million to allow cushion in response to market conditions and other unforeseen variables.
 - Proposed refunding takes advantage of current market conditions to refund additional amounts of the bonds used to acquire the assets for the water company that can be reinvested in the Waterworks infrastructure.
 - DOW's plan to use fixed rate debt for refunding bond candidates.
 - Summary of Potential Refunding Bond Candidates
- The Proposed Plan of Finance Options
 - The "savings over time option"
 - The "upfront savings option"
 - Estimated sources and uses for potential refunding structures
- Estimated Savings from Refunding Options
 - Savings over time option; factors that would result in a gross savings of \$139,960 through Fiscal Year 2008.
 - Upfront savings option; factors that would result in a gross savings of \$1,832,835 in Fiscal Year 2008.

- The proposed advance refunding transaction will have little effect on the DOW's Capital/Debt structure, continuing to allow for diversity in its portfolio.
- Estimated total outstanding debt after the refunding transaction will be \$750,115,000 versus the current \$750,925,000.
- Pledge and security on any debt issued
 - All Waterworks bonds have been purchased by the Bond Bank.
 - Waterworks bonds are solely secured by Net Revenues of the Waterworks and certain pledge funds.
- Actions required for the refunding transaction to move forward
- Historical Capital Expenditures for DOW
 - There are Federal Guidelines and regulations that may cause the amount of money to increase.

Chairman Conley asked how long it will take to bring the plan to fruition. Ms. Lawrence answered that the Bond Bank is hopeful that it will be completed within a matter of weeks once the proper approvals have been received.

Councillor Mansfield asked what affects the Federal regulations may have on the transaction. Ms. Lawrence answered that Federal regulation will have no affect on the transaction. She stated that Federal regulations will affect factors such as water quality and environment.

Councillor Speedy asked if the transaction is to retire current debt. Ms. Lawrence said that refunding bonds will be issued and placed in an escrow account to be used to pay debt service on the bonds that are being refunded. Councillor Speedy asked what happens to any additional monies that are remaining once the debt has been paid. Ms. Lawrence answered that any remaining money will be used to possibly take advantage of other refunding opportunities. If no other opportunities are present, the money can only be used for Waterworks. Councillor Speedy asked if this transaction is to take advantage of lower interest rates than the current rates that are being paid on the debt. Ms. Lawrence answered in the affirmative. Councillor Speedy asked if this transaction must be done. Ms. Lawrence answered in the negative and stated that the option is available and the Bond Bank is trying to maximize debt service and revenues. Councillor Speedy asked if remaining money has to go to capital improvements. Ms. Lawrence answered that the money can be used in any way as long as it is used by Waterworks. Councillor Speedy asked if the revenue of the Waterworks is paid by the rate paying public. Ms. Lawrence answered in the affirmative and added that it is also paid by investment earnings.

Councillor Keller asked how much of these type of transactions are done in-house and who Bond Counsel is. Ms. Lawrence said that a team has been put together in Waterworks that consists of Ice Miller as Bond Counsel, Baker and Daniels as Underwriters Counsel, City Securities as Underwriters, and HJ Imbaugh as Financial Analyst. She said that because it is a new utility, the Bond Bank wanted to be certain that a historical reservoir of knowledge was available. She said that, however, a lot of different firms are used for Bond Counsel and Underwriters Counsel depending on previous experience and expertise.

Councillor Abdullah asked how this transaction will affect the constituent's water bill. Ms. Lawrence said that it filters down to the rate payer at some level, as that is the primary revenue stream from which all operating and capital expenses come. She said that things are being examined to put efficiencies in the system and to keep rates as low as possible. Councillor Abdullah said that he believes that borrowing based on lower interest rates to pass the savings to taxpayers and anticipating what is needed to be done to take care of expenses is a good concept.

Councillor Abdullah moved, seconded by Councillor Mansfield, to forward Proposal No. 533, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Chairman Conley asked for consent to group Proposal Nos. 569, 570, 571, 572, 573, 574, 575, and 576, 2006 together. Consent was given.

PROPOSAL NO. 569, 2006 - authorizes intersection controls for the Eagle Springs subdivision (District 6)

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Nathan Sheets distributed a handout (Exhibit B) with comments and recommendations regarding Proposal Nos. 569-576, 2006. A copy of Exhibit B is on file in the Council Office with the original set of minutes.

Councillor Abdullah moved, seconded by Councillor Cain, to forward Proposal Nos. 569, 570, 571, 572, 573, 574, 575, and 576, 2006 to the full Council with a "Do Pass" recommendation. The motion carried by a vote of 7-0.

Conclusion

With no further business pending, and upon motion duly made, the Public Works Committee of the City-County Council was adjourned at 5:28 p.m.

Respectfully Submitted,

Lonnell Conley, Chairman

LC/nsm